



United States Attorney District of New Jersey

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HOBOKEN, NEW JERSEY MAN PLEADS GUILTY TO ROLE IN FORMER HOBOKEN MAYOR'S EXTORTION CONSPIRACY

NEWARK, N.J. – A Hoboken, New Jersey man admitted today that he gave \$25,000 in illicit cash campaign contributions to former Hoboken Mayor Peter J. Cammarano III in a scheme to obtain Cammarano's official influence regarding real estate development projects, United States Attorney Paul J. Fishman announced.

Michael Schaffer, 59, appeared before United States District Judge Jose L. Linares and pleaded guilty to a one-count criminal Information charging him with conspiracy to commit extortion under color of official right. Judge Linares continued Schaffer's release on a \$100,000 bond pending sentencing, which is scheduled for September 15, 2010.

At his plea hearing, Schaffer admitted that, while Cammarano was an at-large Councilman for the City of Hoboken and candidate for the position of mayor, Schaffer accepted three unlawful cash campaign contributions totaling \$15,000 from a cooperating witness ("CW"), who purported to be a real estate developer. Schaffer further admitted that on July 16, 2009, after Cammarano had been elected and sworn in as mayor, he accepted an additional \$10,000 illicit cash campaign contribution from the CW.

Schaffer admitted that the \$25,000 in cash payments were in exchange for Cammarano's future official assistance, action and influence in Hoboken government matters pertaining to the CW's anticipated real estate development projects. Schaffer also admitted that he wrote checks to Cammarano's campaign fund in order to conceal the origin of the cash he received from the CW.

U.S. Attorney Fishman stated: "Today Michael Schaffer admitted that he facilitated \$25,000 in illegal payments to the mayor of Hoboken. Much is said about corrupt officials, but we cannot ignore those who conspire to enable that corruption. We and our law enforcement partners will continue to hold those who betray the public accountable, and we won't leave out the middle man."

Today's guilty plea stems from a two-track undercover Federal Bureau of Investigation (FBI) investigation into public corruption and money laundering which resulted in the charging of 44 individuals via criminal Complaints on July 23, 2009.

The charge to which Schaffer pleaded guilty carries a maximum statutory penalty of 20 years in prison and a \$250,000 fine. Cammarano pleaded guilty to the scheme on April 20,

2010, and is scheduled for sentencing on August 3, 2010. Edward Cheatam, another conspirator in the scheme, pleaded guilty on September 18, 2009, and also awaits sentencing.

In determining an actual sentence, Judge Linares will consult the advisory U.S. Sentencing Guidelines, which recommend sentencing ranges that take into account the severity and characteristics of the offense, the defendant's criminal history, if any, and other factors, including acceptance of responsibility. The judge, however, has discretion and is not bound by those guidelines in determining a sentence. Parole has been abolished in the federal system. Defendants who are given custodial terms must serve nearly all of that time.

U.S. Attorney Fishman credited Special Agents of the Federal Bureau of Investigation, under the direction of Special Agent in Charge Michael B. Ward, and Special Agents of the Internal Revenue Service Criminal Investigation Division, under the direction of Special Agent in Charge William P. Offord, for the investigation leading to today's guilty plea.

The government is represented by Assistant U.S. Attorney Brian R. Howe, Deputy Chief, and Assistant U.S. Attorney Bradley A. Harsch, both of the U.S. Attorney's Office Special Prosecutions Division in Newark.

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Defense Counsel: Corinne M. Mullen, Esq., Hoboken, New Jersey